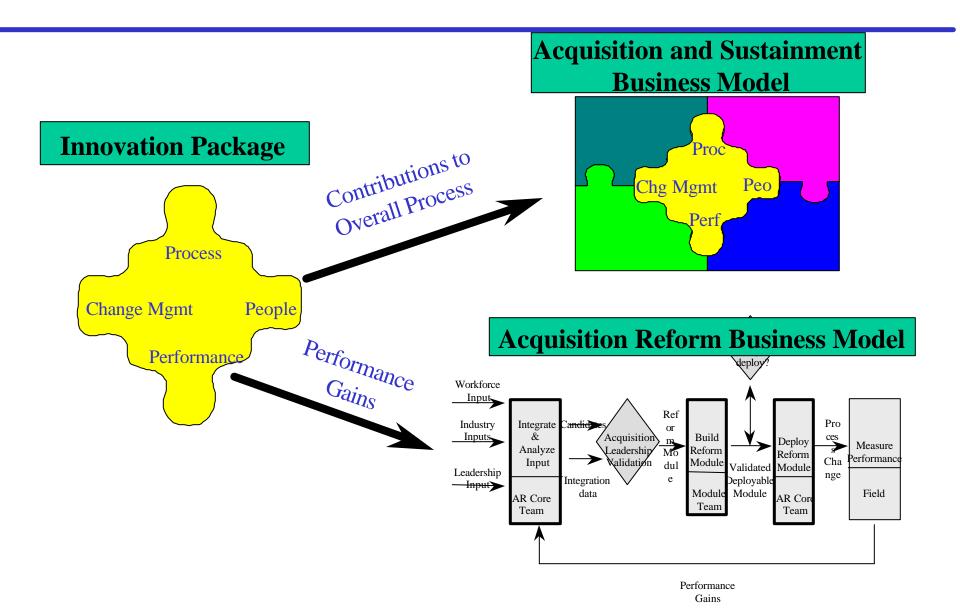
The Air Force Acquisition And Sustainment Business Model

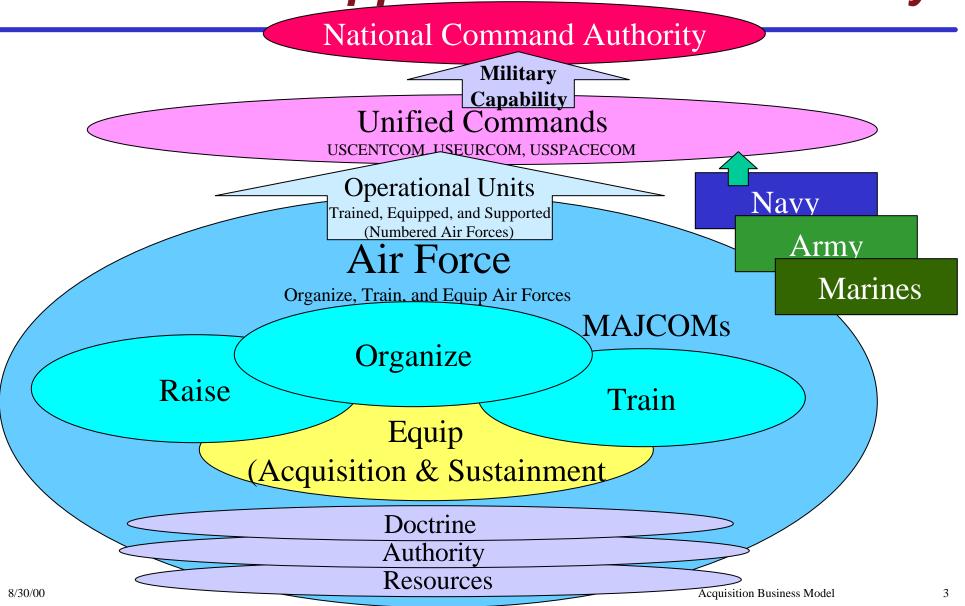
Early Working Copy For Discussion Only

Comments to
Major Ross McNutt, PhD
Acquisition Management Policy Division, SAF/AQXA
ross.mcnutt@pentagon.af.mil
(703) 588-7278 DSN 425-7278

Acquisition Reform Two Part Effort

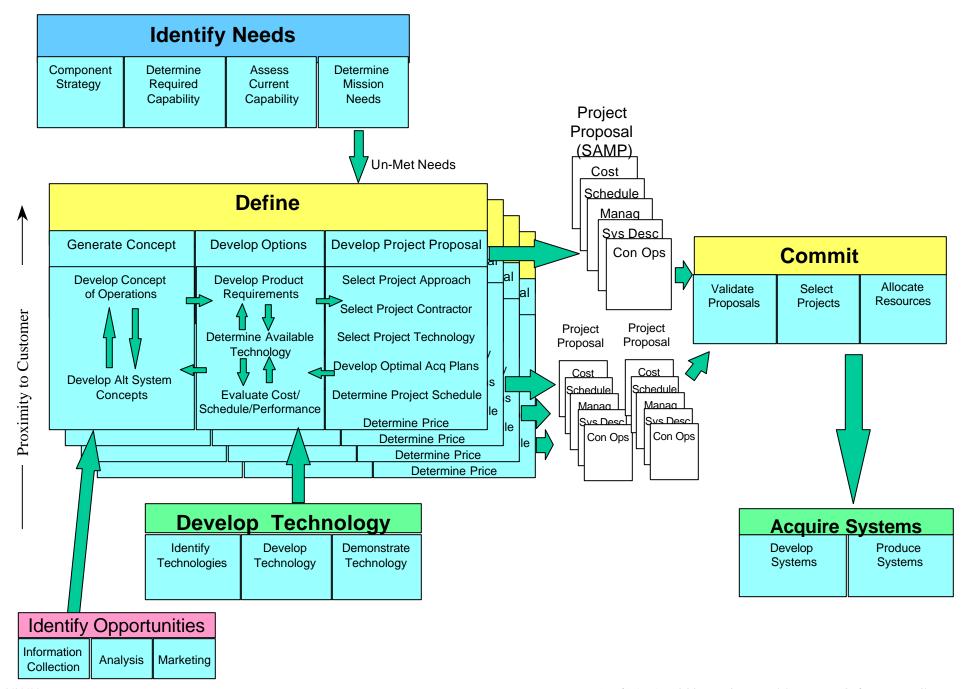


Acquisition and Sustainment Support to National Security

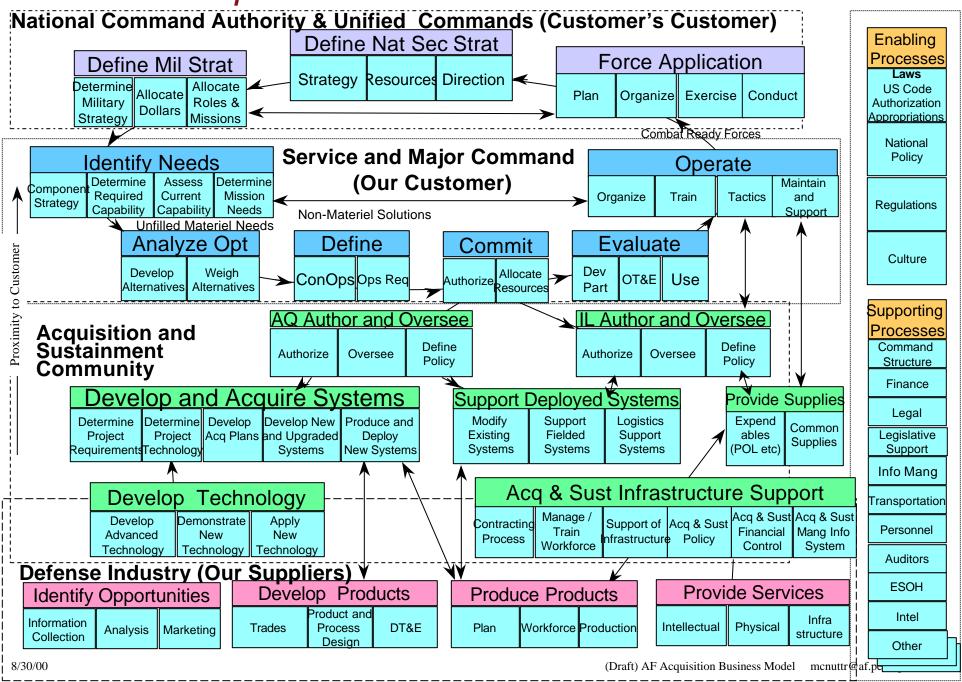


Proposed Draft Acquisition and Sustainment Business Model National Command Authority & Unified Commands (Customer's Customer) Enabling Processes **Define Nat Sec Strat Force Application Define Mil Strat Service and Major Command** Combat Ready Forces (Customer) **Identify Needs** Operate Needs **Define Evaluate** Proximity to Customer реппе Commit Delline Supporting Acq & Sust Processes Suppor Acquire Equip Supply Support **Acquisition &** Sustainment Community Develop Technology **Defense Industry (Suppliers) Identify Opportunities Develop Products Produce Products Provide Services**

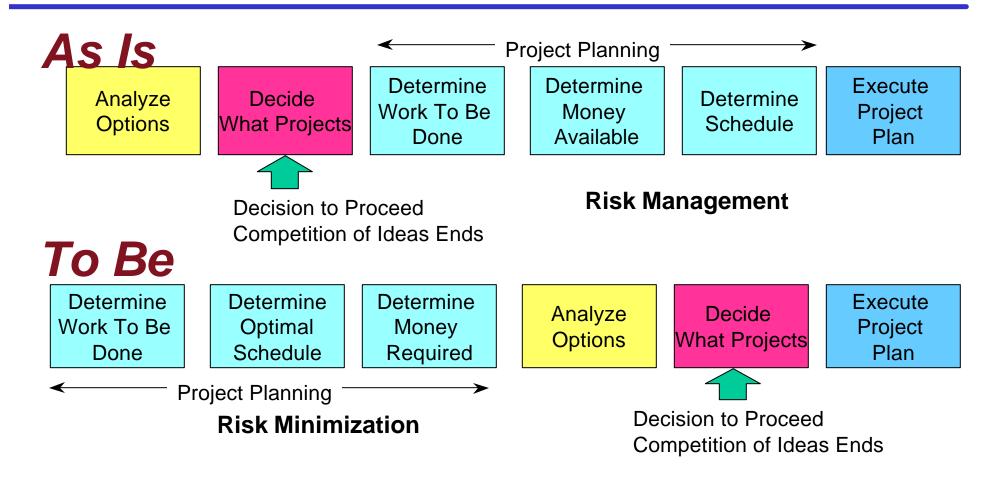
Proposed Draft
Acquisition and Sustainment Business Model 'National Command Authority & Unified Commands (Customer's Customer) Define Nat Sec Strat Enabling Processes **Define Mil Strat** Force Application Strategy Direction Resources Laws Allocate Determine I **US Code** Allocate Plan Organize Exercise Conduct Roles & Military Authorization Resources Strategy Missions Appropriations Combat Ready Forces National **Service and Major Command** ldentifv Needs Operate Policy Determine Assess Determine (Customer) Maintain Componen^a Required Current Mission Organize Train **Tactics** and Strategy Regulations Capability Capability Needs Support Needs Culture Customer Define Acq & Sust Commit Evaluate Generate Generate Develop Support **Project** Validate Select Allocate Concepts **Options** DT&F OT&F Use Supporting Proposal Contracting **Proposals Projects** Resources 9 Proposal Processes Manage and Proposal Command Train Workforce Structure Base Level Support **Finance Acquisition &** Acquire Eauip Support Supply Define/Maintain Policv Sustainment Legal Expend Modify Acquire Repair Common Develop **Produce Financial** Define Commit Evaluate Community Spares **Systems** ables Supplies Legislative Systems Systems Systems Control Support Manage Information Info Mamt Others Develop Technology Transportation Identify Develop Demonstrate Personnel Technology Technologies **Technology Auditors Defense Industry (Suppliers) ESOH Identify Opportunities Develop Products Produce Products Provide Services** Intel Information Design Infra Analysis Marketing DT&E **Physical** Plan Produce Trades Order Intellectual (IPPS) Collection structure Others



Current Acquisition and Sustainment Business Model



Fundamental Difference between "As Is" and "To Be" Models



What Information Is Available to Support Decision

Different Approaches in Development Process

Area	As Is Approach	To Be Approach
Time of Decision	 Project Selections Made Early Before Information is Available 	 Project Selections Made Just Prior to Execution
Project Plan Drivers	 Project Plans Driven By Resource Allocations 	 Project Plans Driven by Best Business Decisions for Project
Allocation of Resources	Resource Allocations to each Project Determined by "Corporate Process"	 Resource Allocations Driven by Selection of Projects
		 Selection of Projects Driven by "Corporate Process"
Competition	 Competition of Ideas Ends Early Late Competition Between Contractors on Same Idea. 	 Competition of Ideas, Projects, and Sources Ends Late - Just Prior to Execution
Technology	Technology Determined <u>After</u> Project Selection	Technology Defined and Selected <u>Prior to</u> Project Selection
Risk	Risk Management <u>After</u> Selection	Risk Minimization <u>Prior to</u> Selection